

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1705-01
Bill No.: SB 382
Subject: Boards, Commissions, Committees, Councils; Health Care; Licenses -
Professional; Science and Technology
Type: Original
Date: March 14, 2011

Bill Summary: Licenses clinical laboratory personnel.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
Clinical Laboratory Science	\$0	\$737,859	(\$236,515)
PR Fees	(\$252,409)	\$0	\$0
Total Estimated Net Effect on <u>Other</u> State Funds	(\$252,409)	\$737,859	(\$236,515)

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 8 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
Clinical Laboratory Science	4	4	4
Total Estimated Net Effect on FTE	4	4	4

☒ Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

☐ Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of State Courts Administrator, Department of Revenue, Department of Public Safety - Missouri State Highway Patrol, Office of Prosecution Services, Office of State Treasurer** and **Missouri Senate** assume the proposal would have no fiscal impact on their agencies.

Officials from the **Office of Administration - Administrative Hearing Commission** anticipate this legislation will not significantly alter its caseload. However, if other similar bills also pass, there are more cases, or the cases are more complex, there could be a fiscal impact.

Officials from the **Office of Attorney General** assume any potential costs arising from this proposal can be absorbed with existing resources.

Officials from the **Office of the Governor (GOV)** do not anticipate the GOV will incur added costs as a result of this bill. However, if additional duties are placed on the office related to appointments in other TAFP legislation, there may be the need for additional staff resources in future years.

Officials from the **Department of Corrections (DOC)** state the DOC cannot predict the number of new commitments which may result from the creation of the offense(s) outlined in this proposal. An increase in commitments depends on utilization by prosecutors and the actual sentences imposed by the court.

If additional persons are sentenced to the custody of the DOC due to the provisions of this legislation, the DOC will incur a corresponding increase in operational cost through supervision provided by the Board of Probation and Parole (FY 10 average of \$3.92 per offender, per day, or an annual cost of \$1,431 per offender). Therefore, supervision by the DOC through probation would result in some additional costs, but it is assumed the impact would be \$0 or a minimal amount that could be absorbed within existing resources.

Officials from the **Office of Secretary of State (SOS)** state the fiscal impact for this proposal is less than \$2,500. The SOS does not expect that additional funding would be required to meet these costs. However, the SOS also recognizes that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what the SOS can sustain within its core budget. Therefore, the SOS reserves the right to request funding for the costs of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the Governor.

ASSUMPTION (continued)

Officials from the **Office of the State Public Defender (SPD)** assume increasing penalties on existing crimes, or creating new crimes, will require more SPD resources. While the number of new cases (or cases with increased penalties) may be too few or uncertain to request additional appropriations for this specific bill, the SPD will continue to request sufficient appropriations to provide competent and effective representation in all its cases.

Oversight assumes the SPD could absorb the costs of the proposed legislation within existing resources. **Oversight** assumes any significant increase in the workload of the SPD would be reflected in future budget requests.

Officials from the **Department of Health and Senior Services (DHSS)** state sections 234.1300 to 324.1340 of this legislation establishes licensing requirements for clinical laboratory personnel. The Division of Professional Registration has been given administration of this program. It is assumed the approved certification examination will be a competency based certification examination administered by an approved credentialing agency, similar to a person sitting for a Certified Public Accountant exam. The certification is not for the agency, but for an individual. The DHSS does not typically incur costs for employees to sit for such exams. However, for existing employees not required to be certified at the time of their employment, the DHSS may be obligated to pay for their licensing fees.

Based on information obtained from the Division of Professional Registration, the initial cost of licensure will be \$125 per person, starting in FY 2013 and renewal licensure will be required on a biennial basis. To license the 59 existing staff, the department assumes a cost up to \$7,375 (59 X \$125) in FY 2013 that would be paid from General Revenue.

The DHSS assumes that employees hired after the legislation becomes effective would obtain the licensure and certification on their own, prior to applying with the department or other laboratories within the state.

Oversight assumes the DHSS can absorb potential licensing fees for current employees.

Officials from the **Department of Insurance, Financial Institutions and Professional Registration (DIFP)** assume approximately 8,000 individuals in the state of Missouri will be required to be licensed based on a projection from the Missouri Economic Research and Information Center.

The projected revenue reflects an initial licensing fee of \$125 per licensee beginning in FY 13 and a biennial renewal license fee of \$125 that will begin being collected in FY 14. A 3% growth rate is estimated. Once the fees for the board are established by rule, other fees could offset the estimated costs.

ASSUMPTION (continued)

It is assumed that all fees collected would be deposited into the Clinical Laboratory Sciences Fund and that all expenses would be paid out of that fund. It is assumed no revenue will be generated by the Missouri Clinical Laboratory Sciences Board in FY 12. Therefore, expenses incurred by the board will be paid back to the PR Fees Fund by a lending board within the division, pursuant to 324.106, RSMo. It is estimated that payback of any outstanding loans would be made in FY 15. However, should the number of licensee vary significantly from the number estimated, the licensure fees will be adjusted accordingly.

The proposed legislation will create the need for 4 FTE as follows: 1.0 FTE Principal Assistant (full-time annual salary \$49,104) to serve as the senior executive officer of the agency; 1.0 FTE Licensure Technician II (full-time annual salary \$25,380) will be needed to provide technical support, process licensure applications and respond to inquiries regarding licensure law; 1 FTE Investigator II (full-time annual salary \$35,592) to conduct investigations and inspections, serve notices and gather information as required by the board; and 1.0 FTE Administrative Office Support Assistant (full-time annual salary \$26,784) to assist with board meetings, complaints, discipline and responding to inquiries relating to licensure laws, rules and regulations.

It is assumed that the board will meet four times per year for two days. Board meeting expenses are estimated to be \$9,108 for FY 12; \$9,336 for FY 13; and \$9,569 for FY 14 plus per diem of \$50 per day per board member (9).

Printing and postage expenses for the first year include printing of rules, applications, letterhead and envelopes, as well as cost associated with mailings for initial licensure. Subsequent year's printing and postage is based on a board of similar size. Printing and postage expenses are estimated to be \$100,000 for FY 12; and \$12,114 annually for FY 13 and FY 14.

Based on a board of similar size, it is estimated that the board will receive approximately 90 complaints, beginning in FY 13. It is estimated that 30% of the complaints filed will require field investigations and it is estimated that 50% of the complaints that are investigated will require an investigator to incur overnight expenses. Therefore, beginning in FY 13, it is estimated there will be approximately \$1,988 annually in travel and investigative expenses.

Costs are calculated for services provided to the division by the AGO and the Administrative Hearing Commission (AHC). It is anticipated \$9,672 will be incurred annually, based on a board of similar size, for the AGO and AHC.

ASSUMPTION (continued)

Boards within the division incur division-wide expenses based on specific board licensee averages, in addition to the DIFP and Office of Administration cost allocation plans. Approximately \$43,175 in additional expenses will be considered in calculating the anticipated license and renewal fees although these costs will not require additional appropriation for the Professional Registration Transfer Core budget.

This proposal will result in an increase in total state revenue.

<u>FISCAL IMPACT - State Government</u>	FY 2012 (6 Mo.)	FY 2013	FY 2014
CLINICAL LABORATORY SCIENCE FUND			
<u>Transfer-In - from PR Fees Fund</u>	\$252,409	\$0	\$0
<u>Revenue - DIFP</u>			
Registration/renewal fees	\$0	\$1,000,000	\$30,000
<u>Costs - DIFP</u>			
Personal service	(\$68,430)	(\$138,229)	(\$139,610)
Fringe benefits	(\$35,816)	(\$72,350)	(\$73,072)
Equipment and expense	(\$137,018)	(\$38,290)	(\$42,115)
AGO, AHC, Board member per diems	(\$11,145)	(\$13,272)	(\$11,718)
Total <u>Cost - DIFP</u>	<u>(\$252,409)</u>	<u>(\$262,141)</u>	<u>(\$266,515)</u>
FTE Change - DIFP	4 FTE	4 FTE	4 FTE
ESTIMATED NET EFFECT ON CLINICAL LABORATORY FUND	<u>\$0</u>	<u>\$737,859</u>	<u>(\$236,515)</u>
Estimated Net FTE Change on Clinical Laboratory Fund	4 FTE	4 FTE	4 FTE
PR FEES FUND			
<u>Transfer-Out - to Clinical Laboratory Science Fund</u>	<u>(\$252,409)</u>	<u>\$0</u>	<u>\$0</u>
ESTIMATED NET EFFECT ON PR FEES FUND	<u>(\$252,409)</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Local Government

FY 2012
(6 Mo.)

FY 2013

FY 2014

\$0

\$0

\$0

FISCAL IMPACT - Small Business

The proposal may fiscally impact small businesses that employ clinical laboratory technician personnel if they pay licensure fees.

FISCAL DESCRIPTION

This proposal establishes licensing standards for different types of clinical laboratory science personnel. The proposal licenses medical laboratory scientists, categorical laboratory scientists, medical laboratory technicians and phlebotomists.

The proposal establishes the Clinical Laboratory Science Board consisting of nine members appointed by the Governor with the advice and consent of the Senate. Among other duties, the board shall establish educational standards and procedures for granting reciprocity for licensees from other states.

Applicants for licensing are required to be at least 18 years old, submit an application, pay a fee, submit to a background check, pass certain examinations, and meet specific educational requirements.

Current practitioners of clinical laboratory science, who are eligible for certification by an agency acceptable to the board and have applied to the board may continue to perform their duties until twelve months after the filing of their application. If a person does not meet the education, training, and experience requirements for a license before August 28, 2013, they shall be considered to meet the qualifications for a license if they have three years of acceptable experience in the five years before August 28, 2013.

Temporary licenses are allowed and licensees may be placed on inactive status under certain circumstances. Procedures are established for denial and discipline of licenses and for the review of those administrative decisions.

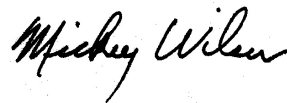
The board is also authorized to seek injunctions against unlicensed clinical laboratory science personnel and subpoena individuals and documents.

Any person who violates this proposal shall be guilty of a Class A misdemeanor.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Office of Attorney General
Office of Administration -
 Administrative Hearing Commission
Office of State Courts Administrator
Department of Insurance, Financial Institutions, and Professional Registration
Department of Corrections
Department of Health and Senior Services
Department of Revenue
Department of Public Safety -
 Missouri State Highway Patrol
Office of the Governor
Office of Prosecution Services
Missouri Senate
Office of Secretary of State
Office of State Public Defender
Office of State Treasurer

A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive, flowing style.

Mickey Wilson, CPA
Director
March 14, 2011